

CRAVATH, SWAINE & MOORE LLP

WORLDWIDE PLAZA
825 EIGHTH AVENUE
NEW YORK, NY 10019-7475

TELEPHONE: (212) 474-1000
FACSIMILE: (212) 474-3700

CITYPOINT
ONE ROPE MAKER STREET
LONDON EC2Y 9HR
TELEPHONE: 44-20-7453-1000
FACSIMILE: 44-20-7860-1150

WRITER'S DIRECT DIAL NUMBER

(212) 474-1243

ALLEN FINKELSON
STUART W. GOLD
JOHN W. WHITE
JOHN E. BEERBOWER
EVAN R. CHESLER
MICHAEL L. SCHLER
RICHARD LEVIN
KRIS F. HEINZELMAN
B. ROBBINS KISSLING
ROGER D. TURNER
PHILIP A. GELSTON
RORY O. MILLSON
RICHARD W. CLARY
WILLIAM P. ROGERS, JR.
JAMES D. COOPER
STEPHEN L. GORDON
DANIEL L. MOSLEY
PETER S. WILSON
JAMES C. VARDELL, III
ROBERT H. BARON
KEVIN J. GREHAN
STEPHEN S. MADSEN
C. ALLEN PARKER

MARC S. ROSENBERG
SUSAN WEBSTER
DAVID MERCADO
ROWAN D. WILSON
PETER T. BARBUR
SANDRA C. GOLDSTEIN
THOMAS G. RAFFERTY
MICHAEL S. GOLDMAN
RICHARD HALL
JULIA A. NORTH
ANDREW W. NEEDHAM
STEPHEN L. BURNS
KEITH R. HUMMEL
DANIEL SLIFKIN
JEFFREY A. SMITH
ROBERT I. TOWNSEND, III
WILLIAM J. WHELAN, III
SCOTT A. BARSHAY
PHILIP J. BOECKMAN
ROGER G. BROOKS
WILLIAM V. FOGG
FAIZA J. SAEED
RICHARD J. STARK

THOMAS E. DUNN
MARK I. GREENE
SARKIS JEBEBIAN
DAVID R. MARRIOTT
MICHAEL A. PASKIN
ANDREW J. PITTS
MICHAEL T. REYNOLDS
ANTHONY L. RYAN
GEORGE E. ZOBITE
GEORGE A. STEPHANAKIS
DARIN P. MCATEE
GARY A. BORNSTEIN
TIMOTHY G. CAMERON
KARIN A. DEMASI
LIZABETHANN R. EISEN
DAVID S. FINKELSTEIN
DAVID GREENWALD
RACHEL G. SKAISTIS
PAUL H. ZUMBRO
JOEL F. HEROLD
ERIC W. HILFERS
GEORGE F. SCHOEN
ERIK R. TAVZEL

CRAIG F. ARCELLA
TEENA-ANN V. SANKOORIKAL
ANDREW R. THOMPSON
DAMIEN R. ZOUBEK
LAUREN ANGELILLI
TATIANA LAPUSHCHIK
ERIC L. SCHIELE
ALYSSA K. CAPLES
JENNIFER S. CONWAY
MINH VAN NGO
KEVIN J. ORSINI

SPECIAL COUNSEL
SAMUEL C. BUTLER
GEORGE J. GILLESPIE, III

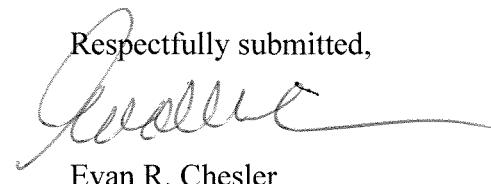
OF COUNSEL
PAUL C. SAUNDERS

July 13, 2011

In re Merck & Co., Inc. Securities, Derivative & ERISA Litigation (MDL 1658)
Nos. 05-CV-01151-SRC-MAS & 05-CV-02367-SRC-MAS
The Consolidated Securities Action

Dear Judge Chesler:

We respectfully submit this letter on behalf of all Defendants¹ in response to Plaintiffs' letter to the Court, dated July 12, 2011. In their letter, Plaintiffs identify *Alaska Electrical Pension Fund v. Pharmacia Corp.*, 554 F.3d 342 (3d Cir. 2009), as the "case with facts analogous to those involved here regarding loss causation" that Mr. Brower intended to reference at oral argument. Although *Pharmacia* presented a "similar set of factual circumstances" to those here, 554 F.3d at 347, the Third Circuit did not address loss causation because it was not an issue in that case. Instead, *Pharmacia* involved a statute of limitations appeal nearly identical to the one in this case, which the Third Circuit had decided five months earlier. *Id.*; see also *In re Merck & Co., Inc. Sec., Derivative, & ERISA Litig.*, 543 F.3d 150 (3d Cir. 2008).


Respectfully submitted,
Evan R. Chesler

Honorable Stanley R. Chesler, U.S.D.J.
United States District Court for the District of New Jersey
Martin Luther King, Jr. Federal Building & U.S. Courthouse
50 Walnut Street
Newark, NJ 07101

VIA ECF

¹ Defendant Dr. Edward M. Scolnick, who is separately represented, joins in this letter.

Copies to:

David A.P. Brower, Esq.
Brower Piven
488 Madison Avenue, 8th Floor
New York, NY 10022

Salvatore J. Graziano, Esq.
Bernstein Litowitz Berger & Grossmann LLP
1285 Avenue of the Americas
New York, NY 10019

Mark Levine, Esq.
Stull, Stull & Brody
6 East 45th Street, 5th Floor
New York, NY 10017

Richard H. Weiss, Esq.
Milberg LLP
One Pennsylvania Plaza
New York, NY 10119

Paul B. Brickfield, Esq.
Brickfield & Donahue
70 Grand Avenue
River Edge, NJ 07661

James E. Cecchi, Esq.
Carella, Byrne, Cecchi, Olstein, Brody & Agnello, P.C.
5 Becker Farm Road
Roseland, NJ 07068

Alfred C. Decotiis, Esq.
Decotiis, Fitzpatrick, Cole & Wisler LLP
Glenpointe Centre West
500 Frank W. Burr Boulevard
Teaneck, NY 07666

William R. Stein, Esq.
Eric S. Parnes, Esq.
Hughes Hubbard & Reed LLP
1775 I Street, N.W.
Washington, D.C. 20006

Martin L. Perschetz, Esq.
Sung-Hee Suh, Esq.
William H. Gussman, Jr., Esq.
Schulte Roth & Zabel LLP
919 Third Avenue
New York, NY 10022

VIA ECF